



Miller-Valentine Group
9349 WaterStone Blvd.
Cincinnati, Ohio 45249
513-774-8400
513-683-6165 Fax

RECEIVED
SEP 25 2007
MSHDA-Legal

September 17, 2007

Ms. Mary Levine
Acting Director of Legal Affairs
Michigan State Housing Development Authority
735 E. Michigan Avenue
Lansing, MI 48909

Re: 2008 First Draft QAP Comments

Dear Ms. Levine:

MV Communities Ltd. appreciates the opportunity to comment on the recently released 2008 QAP Draft. MSHDA's willingness to solicit and consider comments from industry practitioners is vital in helping create the best possible QAP for the state of Michigan. MV Communities hopes its suggestions and ideas will prove useful as MSHDA prepares later QAP versions.

Application Submission Date

The current draft calls for a December 27th submission date for the Fall '07 funding round. MV Communities strongly urges MSHDA to enact a submission date that does not fall during the holiday season. Ideally, submissions could be submitted in mid-January.

December is typically one of the least productive months in a year. In addition to the holidays, many people take remaining vacation time in December, so it is not lost when the calendar rolls over to January. This makes it very difficult to reach people for letters, signatures, meetings, etc.

Incomplete QAP

The current draft, as released, is incomplete in that no scoring guidelines or application forms have been issued. These items are essential in helping guide developers to sites that will be competitive in the funding round. As it stands today, we cannot pursue new sites because proper guidance hasn't been released. Not yet publishing these items makes the projected Dec. 27th submission date infeasible for submitting quality applications, given the time it takes to negotiate land purchases, attract investors, secure local approvals, etc.

Special Needs Housing

Threshold requirement one, the 10% Supportive Housing Requirement for all deals, seems to indicate a concerning shift that MSHDA is attempting to implement. The shift being from an Agency first and foremost concerned with providing low-to-moderate income housing, to an Agency more concerned with creating social policy and solving social problems. Again, this is concerning because MSHDA appears to be losing focus on the goal of the housing credit program to create decent, safe, and sanitary affordable housing for low-to-moderate income households.

MV Communities respectfully encourages MSHDA to remove threshold requirement one. The 20% Holdback for Supportive Housing/Special Needs Housing amply accommodates the production of quality Supportive Housing.

Prevailing Wages/Increased Costs – Green Requirements

Threshold item two threatens to increase development costs in excess of 15% based on our decade-plus experience constructing affordable units. It seems MSHDA has overstepped its bounds by, in essence, promoting union labor. Cost increases dictated by these threshold items hamper the development of affordable housing. It is odd that MSHDA (or any state housing agency) would propose a change that damages affordable housing development and is contrary to its stated Mission.

The use of Green building techniques and materials should not be a threshold item. If included in the QAP at all, Green items should be a point scoring category. The addition of Green materials and techniques add costs that not all deals can afford. This item should be a choice, not a requirement.

I am happy to discuss any of these issues in further detail (513-774-8400). We once again thank you for the opportunity to submit comments.

Sincerely,

A handwritten signature in black ink, appearing to read "B. McGeady", with a stylized flourish at the end.

Brian McGeady
Director of Development
MV Communities Ltd.